

## PUBLIC WORKS AND UTILITIES COMMITTEE

09-0675R

REPLACEMENT

RESOLUTION AMENDING RATES FOR WATER, NATURAL GAS,  
SANITARY SEWER AND STORMWATER UTILITIES EFFECTIVE ON  
JANUARY 1, 2010, AND REPEALING ANY CONFLICTING RATES.

## CITY PROPOSAL:

RESOLVED, effective with the water meter readings after January 1, 2010, all customers of the water utility of the city of Duluth, whose water supply is measured by meter, shall be charged for such water in accordance with the schedule of rates established by this resolution as follows:

MONTHLY METERED VOLUME		
	effective January 1, 2010, rate \$/CCF	<del>effective February 1, 2009, rate \$/CCF</del>
first 4,000 cubic feet, per 100 cubic feet	\$2.61	<del>\$2.56</del>
next 96,000 cubic feet, per 100 cubic feet	\$1.70	<del>\$1.67</del>
next 900,000 cubic feet, per 100 cubic feet	\$1.42	<del>\$1.39</del>
over 1,000,000 cubic feet, per 100 cubic feet	\$1.17	<del>\$1.15</del>

For consumers requiring water at an elevation in excess of 290 feet above Lake Superior, the rate for all water in excess of 100,000 cubic feet per month shall be effective January 1, 2010, \$1.73 per 100 cubic feet.

FIXED CHARGES ARE AS FOLLOWS		
Meter size	effective January 1, 2010	February 1, 2009
1 inch & under	\$ 3.57	( <del>\$3.50</del> )
1-1/2 inch	\$ 6.25	( <del>\$6.13</del> )
2 inch	\$ 10.71	( <del>\$10.50</del> )
3 inch	\$ 39.27	( <del>\$38.50</del> )
4 inch	\$ 49.98	( <del>\$49.00</del> )
6 inch	\$ 74.97	( <del>\$73.50</del> )
8 inch	\$103.53	( <del>\$101.50</del> )
10 inch	\$135.66	( <del>\$133.00</del> )

Water metered at or beyond the city limits, for use by individual customers located outside the corporate limits of the city of Duluth:

All water, per 100 cubic feet - \$3.95 ~~\$3.87~~, effective January 1, 2010.

Rates charged for water furnished to political subdivisions or state or federal government installments located outside the corporate limits of the city will be by individual contract, using the following schedule of rates:

EFFECTIVE January 1, 2010	HERMANTOWN		PROCTOR		RICE LAKE	
first 100,000 cubic feet, per 100 cubic feet	\$3.10	<del>\$3.04</del>	\$3.47	<del>\$3.40</del>	\$2.75	<del>\$2.70</del>
next 200,000 cubic feet, per 100 cubic feet	\$2.76	<del>2.71</del>	\$3.06	<del>\$3.00</del>	\$2.45	<del>\$2.40</del>
over 300,000 cubic feet, per 100 cubic feet	\$2.49	<del>\$2.44</del>	\$2.76	<del>\$2.71</del>	\$2.20	<del>\$2.16</del>

RESOLVED FURTHER, pursuant to Sections 43-5 and 43-11 of the Duluth City Code, 1959, as amended, for the purpose of increasing the revenue of the sewer utility, there is established and shall be collected beginning with the meter readings made on January 1, 2010, and thereafter, a customer charge and user charges, based upon the volume of wastewater discharged to the city's wastewater facilities system and determined as in Section 43-7 of the Duluth City Code, as follows:

	<b>effective January 1, 2010</b>	<b>effective <del>February 1, 2009</del></b>
Customer charge	\$ 6.01 per month	<del>\$ 5.89 per month</del>
User charge - Class I	\$ 5.12/ccf	<del>\$ 5.02/ccf</del>
User charge - Class II	\$ 7.11/ccf	<del>\$ 6.97/ccf</del>
User charge - Class III	\$ 8.76/ccf	<del>\$ 8.59/ccf</del>
Tate and Lyle	\$14.01/ccf	<del>\$13.74/ccf</del>

RESOLVED FURTHER, that, pursuant to Section 43-66 of the Duluth City Code, 1959, as amended, for the purpose of increasing the revenue of the stormwater

utility, there is established a user charge as provided in said ordinance effective January 1, 2010. The user charge rate shall be \$6.20 per equivalent residential unit (ERU = 1,708 impervious square feet) per month.

RESOLVED FURTHER, effective with the natural gas readings after January 1, 2010, all customers of the natural gas utility of the public works and utilities department of the city of Duluth, whose natural gas supply is measured by meter, shall be charged for such natural gas in accordance with the schedule of rates established by this resolution as follows:

CUSTOMER RATE SCHEDULE BASED UPON MONTHLY METERED VOLUME					
		Fixed monthly charge		Per 100 cubic feet	
		Effective January 1, 2010, rate	Effective November 1, 2006, rate	Effective January 1, 2010, rate	Effective November 1, 2006, rate
Firm sales service	Residential small volume	\$7.65	<del>\$7.50</del>	\$1.247	<del>\$1.241</del>
	Residential large volume	\$204.00	<del>\$200.00</del>	\$1.144	<del>\$1.140</del>
	Commercial/industrial small volume	\$40.80	<del>\$40.00</del>	\$1.162	<del>\$1.157</del>
	Commercial/industrial large volume	\$204.00	<del>\$200.00</del>	\$1.131	<del>\$1.127</del>
Interruptible sales service	Commercial/industrial large volume	\$459.00	<del>\$450.00</del>	\$1.007	<del>\$1.005</del>
Interruptible transportation services after first year	Small volume commercial/industrial	\$40.00	n/a	\$0.1881	n/a
	Large volume commercial/industrial	\$450.00	n/a	\$0.1661	n/a
Interruptible transportation services after first year	Small volume commercial/industrial	\$40.00	n/a	\$0.1341	n/a
	Large volume commercial/industrial	\$450.00	n/a	\$0.1121	n/a

CUSTOMER RATE SCHEDULE BASED UPON MONTHLY METERED VOLUME					
		Fixed monthly charge		Per 100 cubic feet	
		Effective January 1, 2010, rate	Effective November <del>1, 2006,</del> rate	Effective January 1, 2010, rate	Effectiv e November <del>1, 2006</del> rate
Purchased gas adjustment (PGA)	If the wholesale price of gas purchased by the city of Duluth is increased or decreased as compared to the 2006 base gas cost rate of \$0.920 per CCF, and any such change results in an average unit cost of gas in excess, or less than the 2006 base gas costs, the unit commodity charge (\$ per CCF) for gas sold under the applicable rate schedule shall be increased or decreased on the customer's monthly bill in the same amount as the unit cost of gas has been increased or decreased. The PGA will include a proportional charge or credit for the payment in lieu of taxes (PILOT) transfer.				

RESOLVED FURTHER, that any prior rate resolutions inconsistent or conflicting with this resolution are hereby rescinded.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

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Attorney

\_\_\_\_\_  
Auditor

PW&U/ATTY      REA:blj      11/6/2009

STATEMENT OF PURPOSE: This resolution authorizes a 2% increase in the rates charged for city utilities to reflect the cost increases incurred by the city in providing those utilities in the last year.